

May 19, 1975

this amendment without arguing the point where you can have the choice of reconsidering the increase in the corporate tax, if you want to retain the Lewis amendment of separating the sales tax and the corporate tax.

SENATOR SYAS: Well first I better boil it down very simple.

SENATOR WARNER: Sure.

SENATOR SYAS: Are you coupling the income tax with the corporate tax by your amendment?

SENATOR WARNER: This does not undo or have any effect on what was done the other day, Senator Syas.

SENATOR SYAS: In other words, the Lewis amendment to divide is still in there?

SENATOR WARNER: Yes sir. I'm not touching that at all. The amendment does reduce the corporate income tax rate from 30 back to 25. It could be amended ...

SENATOR SYAS: Now my second question. Was you or Senator Marvel, this morning, that said the state is \$49 million in the hole?

SENATOR WARNER: I don't believe it was either one of us, Senator Syas. Someone indicated that figure ... at least it was not I. I do not agree that ... with that figure.

SENATOR SYAS: Well maybe I can get it from Senator Marvel. Senator Marvel, this is not to ... I just want to know. I've got to keep on top of it.

SENATOR MARVEL: I understood your question. I think Senator Goodrich is the one that brought up the cash flow problem. As I understand the reason we passed the 12% retroactive is to get enough money in the till so that the cash flow keeps moving. That has nothing to do with the amount of money that's being obligated for the following year. I think Senator Goodrich was the one that read the figures. I think the 12% retroactive will solve that problem. I suggest you ask Senator Goodrich, because I think he's the one that talked about it.

SENATOR SYAS: Alright I'll ask Senator Goodrich. You made the statement we were \$49 million in the hole. Are you saying there that the money that we put additional possibly on this Legislature plus school aid puts us \$49 million in the hole?

SENATOR GOODRICH: Is that a question to me George?

SENATOR SYAS: It sure is.

SENATOR GOODRICH: No, it's \$42 million, not \$49. The ... leaving it at 13 would reduce it in essence. Retroactive would reduce it down to about 26. This is for next year.